



RETIREE NEWS

Summer 2006

Inside This Issue

PERS Compares Favorably in Benchmarking Service	2
Investment Performance Update	2
PERS Contact Information	2
2006 Check Mail Dates	2
Putting You in the Know....PERS Facts	3
Member and Retiree Services Director Named	3
PERS' Featured Retiree	4
Retirement Board Changes	4

Retirement Board

Charles A. Silvestri
Chairman
Sue DeFrancesco
Vice Chair
Elizabeth Fretwell
Member
Purismo Hernandez
Member
David F. Kallas
Member
George W. Stevens
Member
Warren Wish
Member

Executive Staff

Dana K. Bilyeu
Executive Officer
Tina M. Leiss
Operations Officer
Ken Lambert
Investment Officer

The Source of Your Retirement Benefit

People are often surprised to find out that the majority of their retirement benefit does not come from their contributions into the PERS' fund. It is actually generated by the investment program, through the miracle of compound interest.

Albert Einstein stated that the most powerful force in the universe is compound interest. A great example of this power is found in history. If the Native American tribe that accepted goods worth 60 gold coins for the sale of Manhattan in 1626 had invested the money at 6.5% interest, compounded annually, in 2005 their investment would be worth over \$820 billion, more than the assessed value of all of the real estate in New York City.

In fact, over **80%** of the benefits PERS' retirees receive in their lifetime are generated by investment earnings. The remaining 20% is funded by employer and employee shared contributions. This fact underlies one of the key benefits, and efficiencies, of our retirement system structure. Essentially, the investment program is the engine that funds your retirement, and your contributions are the fuel that "primes the pump."

PERS' Investment Officer Confirmed

The Retirement Board has confirmed the appointment of Ken Lambert, CFA as the Retirement System's Investment Officer.

Mr. Lambert worked for the Retirement System from 1995 to 2005, most recently serving as Assistant Investment Officer. During the past year, Mr. Lambert was the Executive Vice President of his family's winery in California. He received his degree in Business Administration from the University of Nevada, Reno, majoring in finance with a minor in economics. He received his Chartered Financial Analyst designation in 1999. ■

DEDICATED TO DELIVERING ACCURATE AND TIMELY SERVICE

PERS Compares Favorably in Benchmarking Service

PERS strives to deliver accurate and timely service to our members, retirees, and employers while focusing on containing costs. PERS has participated in an independent performance benchmarking service for the last three years. This service provides us with an analysis of the effectiveness and efficiency of our service delivery processes. The purpose of the analysis is to help us determine how our total administration costs and service levels compare to public retirement systems in other states. This comparison is important because PERS has no peers in state and local government against which to judge our performance in fulfilling the mission of PERS in a cost-effective manner. The analysis helps us refine customer service standards, provides insights into best practices, and identifies those areas needing improvement.

The benchmarking analysis compares PERS to a peer group of 11 public pension systems of similar size nationwide and a universe of 53 public pension systems worldwide. The analysis for fiscal year 2005 shows that PERS provides a good level of service at a lower administration cost than our peers. PERS scored higher than the peer average in many key service areas, including paying pensions, counseling, mass communication, and service to employers. Our administration cost per active member and retiree was 25% lower than the peer median and 40% lower than the peer average. Our staff administered 2,058 active members and retirees per full-time equivalent employee versus the peer median of 1,873. PERS will participate in this benchmarking service annually in our continuing efforts to provide accurate and timely service while keeping administration costs down. ■

Investment Performance Update

Despite recent volatility in the financial markets, PERS' investment program has maintained a steady course with regard to performance. For fiscal year 2006, the PERS' fund generated an 8.6% return, which is consistent with our long-term funding objective. The returns were driven by domestic and international stocks, accompanied by positive results from alternative investments.

Since inception (June 1984), PERS' average annual return is 10.6%. At the end of June, assets totaled \$19.5 billion. ■

2006 Check Mail Dates*

January 26, 2006
February 23, 2006
March 28, 2006
April 25, 2006
May 25, 2006
June 27, 2006
July 26, 2006
August 28, 2006
September 26, 2006
October 25, 2006
November 27, 2006
December 26, 2006

*Remember, with Automatic Deposit your funds will be in your account on the above dates.

PERS Contact Information



Las Vegas (702) 486-3900
Reno or Carson City (775) 687-4200
Toll Free 1-866-473-7768



www.nvpers.org



693 W. Nye Lane, Carson City, NV 89703
5820 S. Eastern Ave., Suite 220, Las Vegas, NV 89119



FAX

(775) 687-5131
(702) 678-6934

Putting You In the Know.....

PERS' Mission Statement –

The Public Employees' Retirement System of Nevada (PERS) is a tax-qualified, defined benefit plan created by the Legislature as an independent public agency to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacity has been removed or has been substantially reduced by age or disability. It was also created to make government employment attractive to qualified employees and to encourage them to remain in government service for such periods of time as to give employers and the people of the state the full benefit of the training and experience gained by the employees while employed in public service.

PERS FY05 Facts –

- ◆ PERS served 163 employers with 93,995 active members.
- ◆ PERS paid \$739.8 million to nearly 31,000 benefit recipients.
- ◆ Net assets held in trust for pension benefits increased to \$17.7 billion.
- ◆ PERS' counselors presented 237 programs providing PERS information to over 7,800 members, answered more than 91,000 phone calls, and individually counseled 8,000 members and retirees.
- ◆ Processed and initiated retirement benefits to over 2,700 new benefit recipients.

PERS' Awards –

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Public Employees' Retirement System of Nevada for its comprehensive annual financial report for the fiscal year ended June 30, 2004. PERS has achieved this prestigious award for fifteen consecutive years.

PPCC Award


The Public Pension Coordinating Council (PPCC) awarded the Public Pension Principles Achievement Award to the Public Employees' Retirement System of Nevada for the fiscal year ended June 30, 2005. The award is designed to commend public employee retirement systems for implementing and maintaining high professional standards. PERS has received this award every year it has been offered. ■

Member and Retiree Services Director Named

Lynette Jones has been selected as the new Director of Member and Retiree Services. As the Director, she will manage the Las Vegas office, Carson City Counseling Services Division, and the Support Services Division. The Member and Retiree Services Department focuses on providing information to our members, retirees and the public. This is accomplished through informational programs, group counseling sessions, individual counseling, publications and newsletters.

Ms. Jones' career with PERS started in 1984 as a student worker. Over the years, she has held various positions and worked in multiple departments, most recently as the Manager of Production Services. ■

PERS' Featured Retiree



I read the featured retiree article and it sounds as though she is spending her time traveling. I, on the other hand, am spending my time in the great state of Nevada.

My name is Jack Miller and I was a Senior Agent with the State Gaming Control Board stationed in Las Vegas. I took an early retirement in 1988 after serving for 13 years.

My wife, Pat, and I live in Las Vegas in an all-adult mobile home park. After retirement, I bought a computer to try learning what our clerks had been doing for us agents. It became a lifeline for me when my wife took ill. Not wanting to just sit and watch

soaps, I began writing using my friend the computer.


I have written three novels ("Cold War Warrior", espionage in the Nevada desert, "All Crooks Welcome", Metro Police turn to stings to solve burglary problems, and "Master Cheat!", the story of a casino cheat).

My leisure time is spent doing volunteer work for the LPGA, PGA, and VHRU (Volunteer Homeland Reserve Unit). Otherwise, I am marketing my books by conducting readings, signings and lectures.

Do I enjoy retirement? Absolutely! However, I will not retire until I die!

John "Jack" Miller

PERS' Featured Retiree will be a continuing article in our quarterly newsletter. If you'd like to share your story, send it to: PERS Newsletter, 693 W. Nye Lane, Carson City, NV 89703. ■




Retirement Board Changes

PERS would like to express our gratitude to outgoing Chairman Mark Balen. Mr. Balen served the Retirement System since November 2002 as a Board Member and most recently as Board Chairman.

PERS welcomes Elizabeth Fretwell to the Retirement Board. Ms. Fretwell's appointment as a Board Member is effective September 1, 2006. Look for her biography in our Fall newsletter and on our website.

This publication is intended to provide general information. If there is any conflict between this information and Nevada laws or PERS policies, the laws and policies will supersede this information.

Retiree News is a quarterly newsletter for retired members and benefit recipients of the Public Employees' Retirement System of Nevada. Comments or suggestions may be directed to: PERS, Newsletter, 693 W. Nye Lane, Carson City, Nevada 89703



NV PERS
693 W. Nye Lane
Carson City, NV 89703
(775) 687-4200

Prsrt. Std
U.S. Postage

PAID

Carson City, NV
Permit No. 15

We're on the Web!
www.nvpers.org